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PUBLIC UTILITIES  
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application	)	DOCKET NO. 2009-0048
	)	
MOLOKAI PUBLIC UTILITIES, INC.	)	WEST MOLOKAI ASSOCIATION'S
	)	INFORMATION REQUESTS TO
For review and approval of rate increases;	)	MOLOKAI PROPERTIES, LTD.;
revised rate schedules; and revised rules.	)	CERTIFICATE OF SERVICE
_____	)	

WEST MOLOKAI ASSOCIATION'S INFORMATION REQUESTS  
TO MOLOKAI PROPERTIES, LTD.

and

CERTIFICATE OF SERVICE

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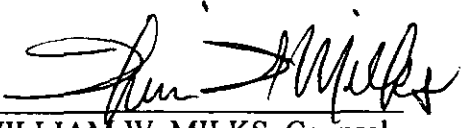
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**WEST MOLOKAI ASSOCIATION'S INFORMATION REQUESTS**  
**TO MOLOKAI PROPERTIES, LTD.**

Comes now West Molokai Association (WMA), by and through its Attorney, William W. Milks, and hereby submits its Information Requests to Molokai Properties, Ltd. (MPL), consistent with the Stipulated Regulatory Schedule contained in the Stipulated Pre-Hearing Order, filed on November 6, 2009.

Dated: Honolulu, Hawaii, January 19, 2010.

  
\_\_\_\_\_  
WILLIAM W. MILKS, Counsel  
for West Molokai Association

**NOTE: ASSUMING MPL TO BE THE ENTITY DIRECTLY OR INDIRECTLY OWNING AND CONTROLLING ITS SUBSIDIARY AND AFFILIATED COMPANIES OPERATING/SITUATED ON MOLOKAI INCLUDING MOLOKAI PUBLIC UTILITIES, INC. (“MPUI”), THE INFORMATION REQUESTS (IR) TO MPL WHICH FOLLOW ARE ASKED IN THE CONTEXT OF MPL BEING THE GOVERNING BODY OF MPUI, EVEN THOUGH THERE MAY BE INTERMEDIARY ENTITIES, SUCH AS KALUAKOI WATER, LLC AND KALUAKOI LAND, LLC, WHICH HOLD STOCK OR HAVE TITLE TO ASSETS. THUS, THE IR’S SHOULD BE RESPONDED, WHERE THE CONTEXT DICTATES, AS IF MPL IS FUNCTIONING AS THE BOARD OF DIRECTORS OF MPUI.**

- WMA-IR-MPL-101**      What specific actions has MPL taken to control inordinate growth of expenses in the following MPUI cost categories:
- a. Fuel expense.
  - b. Electricity expenses associated with pumping.
  - c. Salaries, wages, and employee benefits.
  - d. Vehicles.
- WMA-IR-MPL-102**      What specific actions have been taken by MPL to assure long-term availability of water to MPUI, with an adequate allocation of total water available from Well 17, to ensure that MPUI has legally enforceable rights to an adequate amount of water to fulfill its service obligations as a certificated public utility company?
- WMA-IR-MPL-103**      What specific actions have been taken by MPL with regard to securing MPUI’s right to transport water from Well 17 to the Puunana Treatment Plant, via the Hawaii Department of Agriculture’s Molokai Irrigation System (MIS).
- WMA-IR-MPL-104**      Is MPL aware of the fact that MPUI is one of the few entities -- if not the only entity -- paying transport fees to the Hawaii Department of

Agriculture for use of a State-owned irrigation network?

- WMA-IR-MPL-105** What specific actions has been taken by MPL to open up and pursue negotiations of new terms and conditions more favorable to MPUI, regarding MPUI's continuing use of the MIS, which is administered by the Hawaii Department of Agriculture?
- WMA-IR-MPL-106** Provide MPL's current best estimate of the time period MPL will continue to "land-bank" each of its major Molokai-based assets (e.g. The Lodge, the golf course, the Kaluakoi Hotel, La'au Point).
- WMA-IR-MPL-107** Explain with specificity the policies and directives governing MPL expenditure of funds for short falls in revenues from reduced, or dormant, or non-profitable functions MPL is forced to maintain related to its Molokai holdings. Each of the following should be responded to separately: (a) security, (b) insurance, (c) each form of taxes, (d) mandated operations, and (e) contractual obligations. Please be specific in reference to each type of expense, for each of the subsidiary or affiliated companies of MPL, in order for WMA to better assess MPL's priorities and where MPUI falls within those priorities.
- WMA-IR-MPL-108** Provide the documentation of the accounting of costs and expenditures related to construction of MPUI's water system, and then provide documentation for the detailed accounting of the proceeds from the sale of partially improved home lots, for MPL's sale of such lots, for the 10 year period extending from 2000 through 2009.
- WMA-IR-MPL-109** Please provide a detailed inventory of all documents held from MPL

and/or any of its subsidiaries/affiliates pertaining to MPUI's physical plant, facilities, pipelines and fixed (stationary) equipment. Said documents might include, but are not necessarily limited to:

- a. Feasibility studies
- b. Engineering studies, analyses and reports
- c. Requests for Proposals (RFP's), Invitations for Bids (IFB's), letter requests for quotations and supporting attachments/data
- d. Construction drawings, specifications and cost estimates
- e. Contracts and Purchase Orders
- f. Building Permits
- g. Shop drawings and similar information furnished for the Owner's approval
- h. "As Built" drawings and specifications
- i. Inspection reports/certificates
- j. Warranties and guaranties
- k. Formal approvals by Hawaii Department of Health or other government agencies
- l. Installation/commissioning instructions, operation and maintenance manuals, etc.

**WMA-IR-MPL-110** Please provide a copy of all documents held by MPL and/or any of its subsidiaries/affiliates pertaining to the construction of:

- a. Well 17, pump(s), prime mover, storage tanks and related equipment

- b. Water storage and treatment facilities, distribution pipelines, meters and ancillary equipment as originally approved for construction within MPU's retail service area or red-lined "as built" thereof (i.e., drawings of record).
- c. Emergency Bypass Line for Moana Makani (CAP KAJ120) constructed by ITC Water Management and placed into service on or about July 01, 2004.
- d. Papohaku Line Bypass (CAP MP105) constructed by ITC Water Management and placed into service on or about July 01, 2004.
- e. Roadways and underground utility pipelines, conduits, improvements, and related equipment, together with easements therefore, throughout MPU's retail service area. (TMK 5-1-002-021-, 5-1-003-009), and 5-1-006-157).

**WMA-IR-MPL-111** Relative to home lots in the MPUI service, please provide the exact total number of lots, the number of home lots still titled in the name of MPL or MPL-affiliated companies, and the number of lots owned/titled in names of third parties unaffiliated with MPL.

**WMA-IR-MPL-112** Is MPL willing to be bound by an enforceable agreement, to expend a substantial amount of capital (e.g. \$1.0 million) over the next 3-7 year period of time, in order to bring its two water systems up to industry-standards, provided the Commission would allow MPUI and WOMI to "rate base" a majority of such funding if leaks/unaccounted for water

losses were reduced to industry standards?

**WMA-IR-MPL-113** In terms of 2010 dollars paid in 2010, what amount would MPL pay to County of Maui, for the County to take over the MPUI water system, “lock, stock, and barrel,” (i.e. land, easements, rights of way, improvements, leases, operating rights, other intangibles) which transaction, if consummated, would presumably relieve MPL/MPUI/MPUI’s consumers of all of MPUI’s projected costs for activities such as obtaining a water use permit, MIS payments, continuing operating losses, potentially-mandated repairs related to “L-U” water, etc.

**WMA-IR-MPL-114** Please make accessible to a designated WMA representative, at MPL headquarters in Honolulu or at its corporate law office, for copying by WMA, all as-built drawings for the MPUI service area, related to the design, construction, repair, and replacement of MPUI’s facilities, throughout the MPUI service area. [NOTE: This Information Request has been asked in different ways of the County of Maui and MPUI, but as yet, no documents have been received. The sense is that the documents must exist with MPL, as the successor-in-interest of the major developer of the infrastructure. See related IR-MPL-109, 110, and 115.]

**WMA-IR-MPL-115** Please provide all plans, design, as-built drawings, drawings, specifications, schematics, and other submittals from MPUI (and its parent company, or predecessors to MPL, or other MPL affiliated

companies), related to the design, construction, and major repairs and improvements of the facilities comprising the MPUI water utility system. [NOTE: MPUI/MPL et al. are presumed to have been required to submit such documents for grading permits, building permits, engineering work, etc.] These documents can be provided electronically, or hard copy, or merely made available to a representative of WMA, upon arrangement.

- WMA-IR-MPL-116** Please state concisely but precisely MPL's legal position relative to federal and state income tax liabilities and credits, normalized treatment of same, and flow-through/flow-down of such tax liabilities and credits, to subsidiaries of MPL as the parent/taxpayer. Consistent with the foregoing, please quantify the tax consequences to such actions, with respect to MPUI.
- WMA-IR-MPL-117** Re: Fire Hydrants. Does MPL own, maintain, repair or otherwise have involvement with fire hydrants within the MPUI service area? If so, please explain, with specifics.
- WMA-IR-MPL-118** Re: Fire Hydrants. Please provide land ownership and/or easement/right-of-way documentation for all of the fire hydrants located within the MPUI service area.
- WMA-IR-MPL-119** How many fire hydrants in MPUI's service area? How many are inspected and how often?
- WMA-IR-MPL-120** Are any reports in MPL's custody related to the condition of fire hydrants within the MPUI service area. If so, please provide.



- WMA-IR-MPL-121** With regard to MPUI's entire water system (vis-à-vis the fire hydrants only), when was the most recent inspection of the MPUI system, for any purpose (e.g. for fire protection; for follow-up to Mayor Tavaré's 2008 public statements, or any other purpose), for each aspect of the system for fire safety, e.g. pressure, volume, flow, actual storage, potential storage, etc. Provide a copy of each such report – electronically or in hard copy, or make such studies available to a representative of WMA, at a mutually convenient time.
- WMA-IR-MPL-122** State succinctly what MPL's understanding is as to MPUI's and MPL's current legal responsibilities are with regard to fire prevention, in their respective capacities as owner, developer, operator, water provider, and public utility.
- WMA-IR-MPL-123** Because much of the accounting records of MPUI appear to be compiled, processed, stored and recorded, by MPL, please provide details on MPUI's billing system, generally, (i.e. equipment, software, personnel) and, more specifically, MPUI customer counts, customer bills, revenue by meter size, revenue by any alternative customer category accounting system. To the extent numbers do not reconcile with the Commission approved rates in tariffed categories, please explain the variations of differences.

**CERTIFICATE OF SERVICE**

The undersigned certifies that the requisite number of copies of the foregoing document was or will be served on the following parties on the date indicated below, at the indicated addresses:

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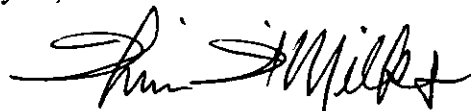
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DATED: Honolulu, Hawaii, January 19, 2010.



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WILLIAM W. MILKS, Attorney for  
West Molokai Association